



## 3%—100%? 250%!

Posted by **Pierluigi Oliverio** on Monday, March 22, 2010

### **Monday: No Impact Man Film at City Hall**

Nearly 300 San Jose residents attended to watch this documentary, which portrays a family that adopts environmentally friendly choices over the course of a year. For example, they bike instead of driving, buy only locally produced food and give up their television. The main point of the evening was that we do not have to wait for government to mandate behaviors that help the environment but that collectively we as residents can choose to compost, use less electricity, bike vs. drive today, etc...

[A reporter from the San Francisco Examiner attended and wrote about the event. Read the report here.](#)

### **Tuesday: City Council Meeting**

Council waived the business license fee for the first 1,000 business under 35 employees retroactive to Jan 1, 2010. Some on the Council commented that it was symbolic and would not create jobs. The Council does not create jobs; private individuals do. If the Council wants to do something symbolic let's get rid of the Labor Peace regulation and allow Starbucks to open at city hall as planned. Nearly five years and still empty.

During public comment on the Mayor's Budget message, a lobbyist from the union chided the Council for even thinking about 2nd Tier benefits that the taxpayer can afford since it would be unfair to have people working side by side who have different retirement benefits. The next non lobbyist speaker stated that people in private sector are compensated differently from each other today and they survive. The current pension system is unsustainable and must be changed for new employees.

A couple of SJI readers asked last week how retirement works under the city charter. Here is the response to that question:  
Each employee puts \$3 and the city puts an additional \$8 into the retirement fund. On top of the over 200 percent match, the city guarantees an 8 percent net rate of return, but the fund needs to gross 9 percent to cover investment fees. (Average rate of return the last 10 years is 4.4 percent) If the retirement portfolio (stocks, bonds, real estate, etc.) does not return 8-9 percent, then the taxpayer covers the difference.

Any changes to the current system requires a vote of San Jose residents. As we hopefully implement 2nd tier benefits I would suggest an option for new employees of a one-to-one dollar match up to the federal 401K limit of

\$16,500 and no guaranteed 8 percent return. This way the retirement funds will continue to get funded by new employees much like social security is funded by younger workers. The newer employees will draw less benefits but then we will not have to close more libraries or layoff more police in future years.

A dollar-for-dollar match (100 percent) is extremely generous in comparison to the average 3 percent match of private employers to 401K's. If there are specific positions in our city that are tough to recruit then raise the entry level salary since young workers want more money up front to buy a home or fancy car. Same time if there are positions with many qualified applicants then those entry level salaries should be frozen indefinitely or lowered.

### **Wednesday: Grand Boulevard Committee, Member**

Attended meeting at SamTrans in San Carlos. The purpose of this committee is to provide a venue for cities and transit agencies from South San Francisco to San Jose to plan transit-oriented developments all the way up and down the El Camino Real. The thought is through density, the El Camino will gain the improvements to add large sidewalks and pedestrian friendly accoutrement's the entire way creating a Grand Boulevard.

### **Thursday: Public Safety Committee, Member**

The committee received a verbal report from staff on why hiring retired San Jose Police Department (SJPD) officers is problematic. Staff response seems odd. We have many qualified retired SJPD in our area that it seems silly not to hire them to do background checks for new recruits instead of pulling police officers off patrol to do this work. But then again we have postponed the police academy indefinitely yet we fund a community center in Los Gatos for \$80K out the \$11 million in tobacco funds that goes towards charities.

### **Friday: Diridon Joint Policy Advisory Board, Member**

First meeting of the Diridon Joint Policy Advisory Board whose goal is to create a Grand Central Station of the West by collaborating with state, federal, transit districts, adjacent residents and business owners over the next 10-20 years. We elected Mayor Reed as the Chair.

[Click this link and vote for ultra-high broadband networks from Google for San Jose.](#)

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